

DOCKET NO. UM 1726

**Cover Sheet for Submission of
2015 Annual ETC Certification Reports**

Name of Eligible Telecommunications Carrier: Pine Telephone System, Inc.

Filing date: June 25, 2015

Is this: Original submission? X
OR
Revised submission? _____

Person to contact for questions:

Name Delinda Kluser

Phone number 541-932-4411

E-mail address dkluser@ortelco.net

Documents included in this filing (please check applicable items):

_____ CAF/ICC Support (47 CFR § 54.304)

_____ Rate Floor Data (47 CFR § 54.313(h))

X Form 481 (High-cost per 47 CFR § 54.313, Low-income per 54.422)¹

_____ Form 690 (Mobility Fund per 47 CFR § 54.1009)

_____ Affidavit for High-Cost Support

Filing deadlines: The deadlines for filing items required by 47 CFR § 54 are the same as the deadlines for filing with the FCC. The notarized affidavit for high-cost support must be filed no later than the due date for the FCC Form 481. Based on current information, it appears that all items other than CAF/ICC support data are due by July 1, 2015. The CAF/ICC support data are due the same day as the ETC's interstate access tariff filing.

If revisions to an original submission are filed with the FCC or USAC, a copy of the revisions must be filed with the Oregon Commission no later than five business days following submission to the FCC or USAC.

¹ Lifeline-only ETCs must provide all information specified in 47 CFR § 54.422(b) even if the ETC does not submit this information to the FCC.

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

 FCC Form 481
 OMP Control No. 3050-0F36/CMB Control No. 3060-0819
 July 2013

<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Delinda Kluser
<035> Contact Telephone Number: Number of the person identified in data line <030>	5415320411 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	dkluser@ortelco.net

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<410> Fixed	1.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">532392 OR 510.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">532392 OR 610.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No)	<input checked="" type="radio"/> <input type="radio"/> (if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@portelco.net
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

532392 OR 112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

(200) Service Outage Reporting (Voice)
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	512392
<015>	Study Area Name	PINE TRL SYSTEM INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324611 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

[illegible]

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINR TEL SYSTEM INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2015

<703>

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986 / OMB Control No. 3060-0819

July 2013

<010> Study Area Code 532392

<015>	Study Area Name	PINE TEL SYSTEM INC.
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<020>	Program Year	2016
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<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluever
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<035> Contact Telephone Number - Number of person identified in data line <030> 5419324411 ext.

<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net
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[illegible]

(800) Operating Companies Data Collection Form	FCC Form 481 OMB Control No. 3060-0986 / OMB Control No. 3050-0819 July 2013
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<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL. SYSTEM INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net
<810>	Reporting Carrier	Pine Telephone System, Inc.
<811>	Holding Company	North-State Telephone Co.
<812>	Operating Company	Pine Telephone System, Inc.

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<910> Tribal Land(s) on which ETC Serves

--

<920> Tribal Government Engagement Obligation

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Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers**Lifeline****Data Collection Form****FCC Form 481**

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

532392 07 1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

[2000] Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0086/CMB Control No. 3060-0019

July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	
<020>	Program Year	FINE T&L SYSTEM INC.
<030>	Contact Name - Person USAC should contact regarding this data	2016
<035>	Contact Telephone Number - Number of person identified in data line <030>	DELIVERA KIMWAY
<039>	Contact Email Address - Email Address of person identified in data line <030>	3019524411 ext.
		AKUS@PORT100.NET

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)i}
 <2011a> 3rd Year Certification {47 CFR § 54.313(b)(1)ii}
 <2011b> Attachment {47 CFR § 54.313(b)(1)ii}

Name of Attached Document(s) Listing Required Information

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}
 <2013> 2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}
 <2014> 2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}
 <2015> 2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
 <2018> 5th year Broadband Service Certification
 <2019> Interim Progress Certification
 <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation
Data Collection Form

FCC Form 492

OMB Control No. 3060-0186 OMB Control No. 3060-0186

July 2018

<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035> Contact Telephone Number - Number of person identified in data line <030>	541324411 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@potsdco.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan
Milestone Certification (47 CFR § 54.313(f)(1)(i))

532392 OR 3010.pdf

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☒

532392 OR 3012.pdf

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held RDR Carrier (47 CFR § 54.313(f)(2))
(3014) If yes, does your company file the RUS annual report

(Yes/No)

(Yes/No)



Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☒
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒

532392 OR 3017.pdf

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, is your company audited?

(Yes/No)



If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☐
(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐
(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit ☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐
(3023) Underlying information subjected to a review by an independent certified public accountant ☐
(3024) Underlying information subjected to an officer certification. ☐
(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

(3000) Rate Of Return Error Additional Documentation (Continued)	PLC Form 401
Data Collection Form	CMIS Control No. 0000-0986/PLC Control No. 3000-0019
	July 2018

<010> Study Area Code	512392
<015> Study Area Name	PINE TRU. SYSTEM, INC.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035> Contact Telephone Number - Number of person identified in data line <030>	5419324471 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

Financial Data Summary

(3027) Revenue	6327134
(3028) Operating Expenses	5383679
(3029) Net Income	-274567
(3030) Telephone Plant In Service(TPIS)	20664991
(3031) Total Assets	3964971
(3032) Total Debt	19983754
(3033) Total Equity	26791750
(3034) Dividends	0

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 5010-0035/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035> Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or U Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: PINE TEL SYSTEM INC.	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 06/25/2015
Printed name of Authorized Officer: Delinda Kluser	
Title or position of Authorized Officer: Vice President/Manager	
Telephone number of Authorized Officer: 5419324411 ext.	
Study Area Code of Reporting Carrier: 532392	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 2050-0086/OMB Control No. 3030-0819 July 2013
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<010> Study Area Code	532392
<015> Study Area Name	PINE TEL SYSTEM INC.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035> Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date:
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	
Name of Authorized Agent or Employee of Agent:	
Signature of Authorized Agent or Employee of Agent:	Date:
Printed name of Authorized Agent or Employee of Agent:	
Title or position of Authorized Agent or Employee of Agent:	
Telephone number of Authorized Agent or Employee of Agent:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(700) Price Offerings including Voice Rate Data
Data Collection Form

FEC Form 481

OMB Control No. 2060-0986/OMB Control No. 3060-0319

July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEMS INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2015

<703>

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481

OMB Control No 3060-0956/OMB Control No 3060-0819

July 2013

<010>	Study Area Code	532392
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<015>	Study Area Name	PINE TREE SYSTEM INC.
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<020> Program Year	2016
--------------------	------

<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
-------	---	----------------

<035> Contact Telephone Number - Number of person identified in data line <030> 5419324411 ent.

<039> Contact Email Address - Email Address of person identified in data line <030> dxluser@ortelco.net

<11>	<a1>	<d1>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
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[illegible]

(600) Operating Companies
Data Collection Form

FCC Form 481

OMB Control No. 3060-0086/GME Control No. 3050-0819

July 2013

<010>	Study Area Code	532392
<015>	Study Area Name	PINE TEL SYSTEM INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Klauer
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dklauer@artelco.net

<810>	Reporting Carrier	Pine Telephone System, Inc.
<811>	Holding Company	North-State Telephone Co.
<812>	Operating Company	Pine Telephone System, Inc.

[illegible]

Pine Telephone System, Inc.
2015
PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN

PREAMBLE

This document is an integral part of the Company's 2015 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule, to the requisite regulatory authorities.

Pine Telephone System, Inc. advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in technology (vendor)-driven support, weather, or other emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons provided for those changes.

UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015

Per the Universal Service Administrative Company (USAC), as available for the period up to this filing, Pine Telephone System, Inc. received a total of \$1,137,469 (as of 6/8/15) in USF support funds. The breakdown of the funding to the point of filing is:

- \$585,653 High Cost Loop Support
- \$246,176 Connect America Fund-Intercarrier Compensation Support
- \$294,244 Interstate Common Line Support
- \$ 11,396 Safety Net Additive

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and

operating expenditures; USF is expended in the same proportion as its contribution is to the Company's aggregated revenue amount.

The proportionate share of USF expenditures in 2015 to date for CAPEX is estimated to be \$9550 (1%) ; for OPEX \$1,336,750 (99%).

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

PROGRESS REPORT

2015

Upgrading FTTH ONT: This project is still in progress. To date, a total of 8 TelStrat CPE FTTH ONT's have been upgraded to an Adtran Platform out of approximately 58 customers with a target completion date of 9/30/2015. Approximately \$8500 has been spent using general operating funds. Attached are maps of the affected area.

This project provides Service Quality.

DC Rectifier and Battery Upgrades: This project is currently in progress. Parts and Equipment have been ordered. The original target completion date of 9/30/2015 is currently valid.

This project provides Service Quality, Coverage and Capacity upgrades.

Adtran Upgrade: This project has been delayed as a result of Pine Telephone System, Inc. merging with North-State Telephone.

This project is Service Quality related.

General Expenditures: Up through June 2015 the Company will spend approximately \$6,600 in miscellaneous additions for general office equipment and mapping software.

NETWORK IMPROVEMENT PROJECTS-PROGRESS REPORT
AS OF 2015 ANNUAL REPORT SUBMISSION - JULY 1, 2015

C:\Users\Teresa Thomas\Desktop\2015 FCC Form 485\NIP\WORK\UPRR\DE DETAILS for 2015.xlsx[2015]

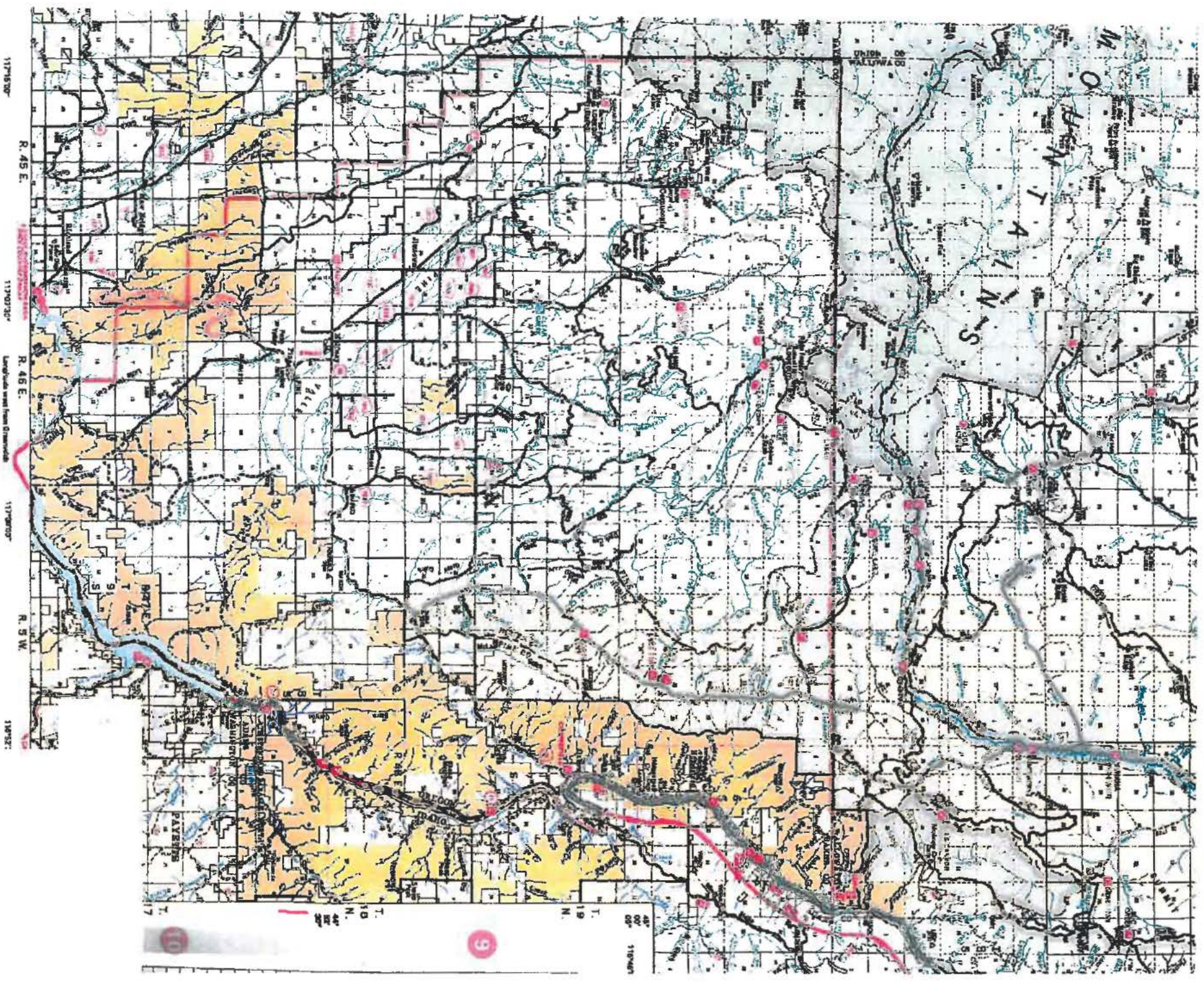
MAP REF.	WIRE CENTER NAME & CLJ	DESCRIPTION of IMPROVEMENT	PURPOSE	COST ESTIMATE	ACTUAL COST	REGULATED % ALLOCATION	AMOUNT IN USF SUPPORT AREA	% VOICE	% BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETION DATE	ACTUAL COMPLETION DATE	Notes
	A	B		C	D	E	F=CxE	***	***	***	***	***	***	
	2015													
	Halfway/HLWYORXB	Upgrading FTTH ONT General Expenditures	Service Quality General	\$20,417 \$11,000		100% 100%	\$20,417 \$11,000	50% 50%	50% 50%	391 sq miles 391 sq miles	50 600	9/30/2015 12/31/2015		
	Granite/GRANOR01	D.C. Rectifier & Battery Upgrades Adtran Upgrade	Service Quality,Coverage & Capacity Service Quality	\$31,141 \$46,783		100% 100%	\$31,141 \$46,783	50% 50%	50% 50%	300 sq miles 300 sq miles	75 75	9/30/2015 9/30/2015		

NOTES

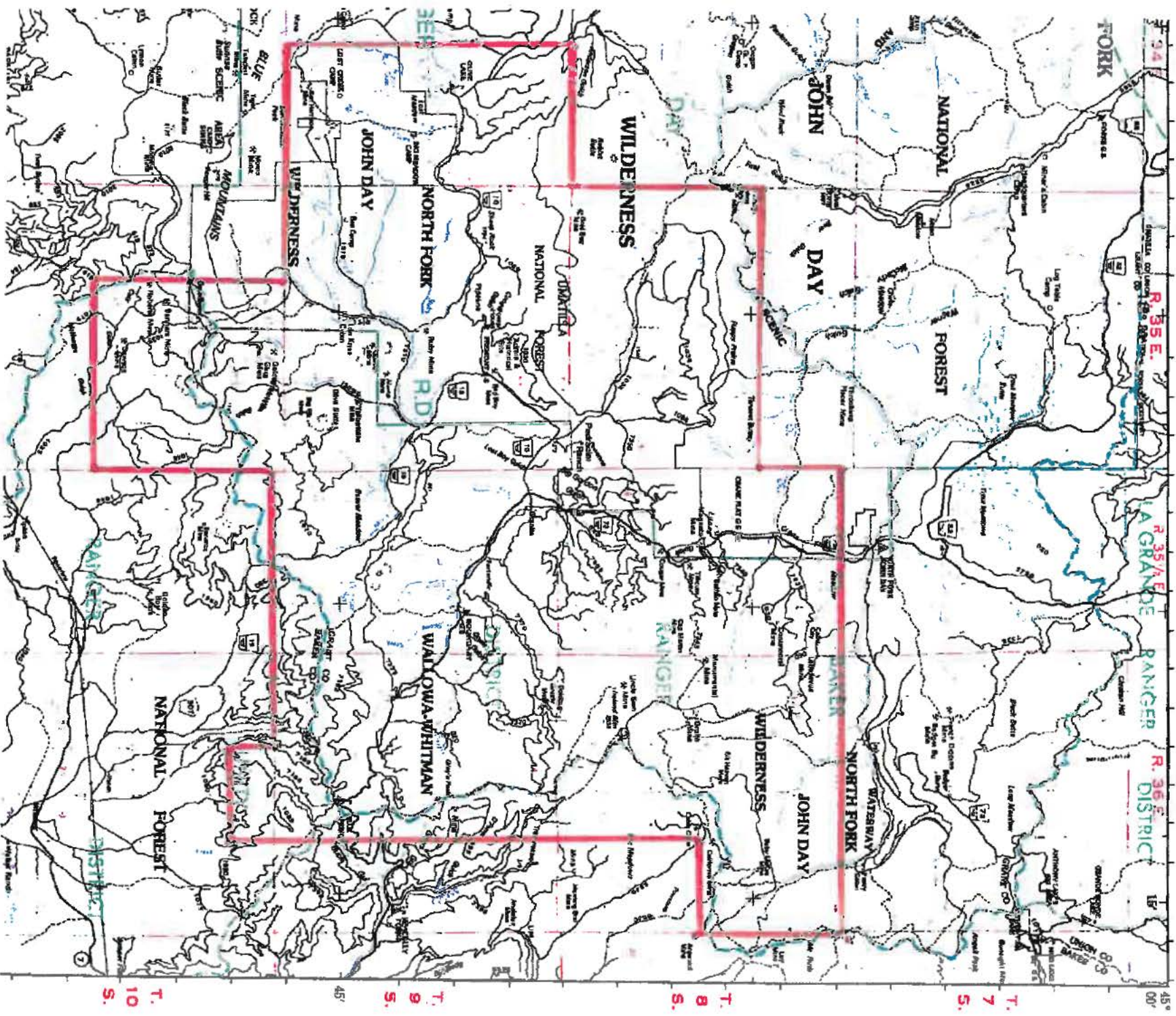
2015 TOTAL PROJECTS

\$109,341

HLWYORXB



GRANOROL



PINE TELEPHONE SYSTEM, INC.

P. O. BOX 706 104 CENTER STREET
HALFWAY, OREGON 97834
(541) 742-2201 FAX (541) 742-4321

54.313(a)(5) Satisfaction of Consumer Protection and Service Quality Standards

Consumer Protection

Voice and Broadband

Pine Telephone System, Inc. complies with the requirement of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Voice

Pine Telephone System, Inc. complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

Broadband

Pine Telephone System, Inc. follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.

Pine Telephone System, Inc.

54.313(a)(6) Ability to Remain Functional in Emergency Situations

Back-up Power

Pine Telephone System, Inc. has the following back-up power capabilities:

Switches – stand alone and/or host

Switch A-Halfway CO

80KW, Diesel Generac Generator with 250 gallon tank capacity.

Expected run time on full tank: 96 hours. Battery Capacity, String A, 1 rack,
GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC, String B, 1 rack,
GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC, String C, 1 rack,
GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC

Switch B-Granite CO

Kohler 8.5 RMY, 8.5 KW Generator with 500 gallon propane tank capacity.

Expected run time on full tank: 250 hours. Battery Capacity, String A, 1 rack,
GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC

Switch C-Three Rivers CO

80KW, 80KVA, 120/240 Volts, 333.3 Amps, Phase 1 PHA, 60 Hertz,
Propane, Generac Generator, 10 cylinder with a 500 gallon tank capacity.
Expected run time on full tank: 200 hours, 24 EXIDE batteries, 2000 Ah
At 8 hrs. to 1.75 VPC

Subscriber carrier (DLC, AFC, OPM, etc.)

Remote AFC Cabinets associated with Switch A

RST 1, West Dry Creek, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

RST 2, East Dry Creek, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

RST 3, Gulick, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

RST 4, East Pine, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

RST 5, Carson, 2 Battery strings, SBS 40, 12V-37 Ah.

Expected run time: 24 hrs.

Halfway Hill, 1 Battery string, SBS 40, 12V-37 Ah., Wireless

Expected run time: 24 hrs.

Summers Hill, 1 Battery string, SBS 40, 12V-37 Ah., Wireless

Jimtown Hut

Telstrat & Adtran

45KW, 4.2L, Propane, TWE Enterprises Generator with 500 gallon tank.

Expected run time on full tank; 250 hours. Battery Capacity, String A,

1 rack, TYCO, 2000 AH @ 8 hour rate to 1.75 VPC.

Oxbow Hut

AFC, Telstrat, Adtran & Fujitsu

18KW, 2.3L, Propane, 18RY 62 Kohler Generator with 500 gallon tank.

Expected run time on full tank; 250 hours. Battery Capacity, String A,

1 rack, GNB ABSOLYTE, 1200 Ampere Hours, 8 hrs. to 1.75 VPC.

Brownlee Hut

AFC, Adtran & Fujitsu

Battery Capacity, String A, 1 rack, GNB ABSOLYTE, 1200 Ampere Hours

Rated 8 hrs. to 1.75 VPC.

Eagle Bar Hut

AFC, Adtran

5000W, TWE50 GAK generator with a 125 gallon propane tank.

Expected run time on full tank: 100 hours.

Battery Capacity, String A, LS12-100, 100 Ah to 10.5 Volts.

Rated 8 hrs. to 1.75 VPC.

AFC remote Hells Canyon Park

2 Battery Strings, SBS 15, 12V 12.8 Ah

Remote AFC Cabinets associated with Switch B

RST 1, Deems Loop, 2 Battery strings, GNB. Expected run time: 24 hours

RST 2, Black Mountain, line powered from RST 3.

RST 3, Denny Creek, 2 Battery strings, GNB. Expected run time: 24 hours

RST 6, Olive Creek, line powered from the Granite CO.

RST 7, Lower Stices Gulch, 2 Battery strings, SBS 40, 12V-37 Ah

Expected run time: 24 hours.

RST 8, Upper Stices Gulch, 2 Battery strings, SBS 40, 12V-37 Ah

Expected run time: 24 hours.

Greenhorn Hut, RST 9

8000W, TWE80 GAK generator with two 250 gallon propane tanks.

Expected run time on full tank: 200 hours. Battery Capacity, String A,

1 rack, E31 SLD G, 97.6 Ah, String B, E31 SLD G, 97.6 Ah,

Solar Assist, 2 PV Modules, IF 150. Line powered from the Granite CO.

North Hut – Three Rivers

60KW, 60 KVA, 120/240 Volt, Phase 1 PHA, Generac Generator, 500 gallon Propane tank. Expected run time on full tank:48 hrs. Battery capacity, 2180Ah@600V, 39 panels equal 9.36kW+/-.

Ability to reroute traffic around damaged facilities:

Pine Telephone System, Inc. has the following per Exchange:

Halfway Exchange

The Halfway Exchange has 72 DS1s (3 T1s) connected to Syringa for the purpose of inter lata voice calls with CIC codes. Halfway also has a 110Mbps circuit to Syringa for Internet access services. A SONET ring protects the voice and Internet circuits between Halfway and the point of connection to Cambridge Telephone/Syringa at Brownlee. Syringa, over the Cambridge Telephone facilities, transports to Cambridge at which point the circuits are once more inserted into a SONET ring that carries the circuits to the Syringa tandem in Boise for connection to the world.

The Halfway Exchange also has 3 T1s connected to the Pendleton Tandem via CenturyLink for Intralata voice calls. At this point in time there is no protection for those circuits; however, Pine Telephone has been planning with Syringa and other local telephone companies about the possibility of creating a SONET ring in Eastern Oregon that would have provide full protection. The required investment in plant is not now available, so has delayed this project.

Granite Exchange

The Granite Exchange has 1 T1s connected to the Pendleton Tandem via CenturyLink that provide inter and intra lata voice circuits for its customers. Granite also has 5 T1s directly connected to the Halfway central office that provides for Internet access bandwidth and special access. There is no protection at this point in time for those circuits; however, should the Eastern Oregon SONET ring be deployed in the future, then Granite will be in the ring.

Three Rivers Exchange

The Three Rivers Exchange has 3 T1s dedicated to inter and intra lata voice calls with CIC codes. These circuits terminate on the Syringa Tandem in Boise. The exchange also has 2 T1s dedicated to intra lata voice calls without CIC codes that terminate on the CenturyLink tandem in Redmond. Internet access circuits are shared with 10Mbps to Syringa and 40Mbps to TDS Telecom (Bend Broadband).

At some point in the future a partial SONET ring is planned within the Three Rivers service area that will protect a cable cut.

Capability to manage traffic spikes resulting from emergency situations

The Halfway Exchange has 726 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

The Granite Exchange has 89 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 48 simultaneous calls.

The Three Rivers Exchange has 60 customers, switching capacity of 1000 simultaneous calls, and transport capacity for 120 simultaneous calls.

Pine Telephone System, Inc.

LOCAL SERVICES*LOCAL ACCESS LINE RATESRATES

Trunks and one-party apply within the base rate area and supplementary base rate areas. Trunks and one-party can be provided in suburban areas for an additional charge (mileage). Following are the monthly rates for local access lines including certain CLASS features listed on sheet 302 and 302.1 and marked by an asterisk(*):

BUSINESS SERVICETouchtone

<u>Exchange Names</u>	<u>PBX Trunks</u>	<u>One-Party</u>	<u>Semi-Public</u>
Halfway/Oxbow	N/A	\$19.00	\$19.00
Granite	N/A	\$19.00	\$19.00
Three Rivers	N/A	\$19.00	\$19.00

RESIDENCE SERVICETouchtone

<u>Exchange Names</u>	<u>PBX Trunks</u>	<u>One-Party</u>	
Halfway/Oxbow	N/A	\$14.75	(I)
Granite	N/A	\$14.75	(I)
Three Rivers	N/A	\$14.75	(I)

The above rates do not include the Service Assistance Program Surcharge.

* Subject to Oregon Telephone Assistance Program (OTAP) Credit

Description

- a. Pursuant to Chapter 290, Oregon Laws 1987, and Oregon Administrative Rule (OAR) Chapter 860, Division 33, the Oregon Telephone Assistance Program (OTAP) is the state counterpart to the federal Lifeline program and is governed by Federal Communication Commission 47 Code of Federal Regulations Subpart E, 54. This state and federal government assistance program provides qualifying low-income consumers with reduced monthly charges for any local residential service plan that includes voice telephony service. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent, access to emergency services and toll limitation services.

- b. Customers must meet the eligibility requirements for OTAP/Lifeline defined in OAR 860-033-0030.

Advice No. 1

Issued October 1, 2014

Effective December 1, 2014

Pine Telephone System, Inc.

LOCAL SERVICES

LOCAL ACCESS LINE RATES - Cont'd

OTAP (cont.)Terms and Conditions

Basic federal Lifeline support amount:	\$9.25
OTAP support amount:	\$3.50
TOTAL support amount:	\$12.75

- a. The basic federal Lifeline support amount is applied to the End User Common Line charges or equivalent. The remaining basic federal and OTAP support amount is applied to the qualifying low-income customer's intrastate rate.
- b. Billing will reflect that the OTAP/Lifeline credit became effective on the date specified by the Public Utility Commission of Oregon for each approved customer.
- c. Partial payments from OTAP/Lifeline customers are first applied to the allocated price of the voice telephony service component and then to toll charges or the cost of other services.
- d. OTAP/Lifeline customers may voluntarily elect toll limitation service at no charge. OTAP/Lifeline customers who subscribe to toll limitation service will not be required to pay a service deposit in order to initiate OTAP/Lifeline service.
- e. OTAP/Lifeline customers may not be charged the federal universal service fund fee or the monthly number-portability charge as part of their local residential service plan that includes voice telephony service.
- f. The Residential Service Protection Fund surcharge must be charged to OTAP/Lifeline customers.

CONDITIONS

Local service is provided through facilities owned and maintained according to the standards of the Company. The territory served is shown on maps filed with the Commission by the Company. This territory is referred to as an exchange.

The application of business or residence rates is determined by the actual or obvious use made of the service by the customer. Where only one access line is provided at a location which is both business and residence, the business rate will apply. Flat rate service will not be installed on premises of a public or semi-public character in a location where the telephone would be accessible for use by the patrons of the customer or by the public in general.

Local service rates include the line which provides access to the central office switching equipment. Customer premises equipment (CPE) is excluded, except that one telephone is included with semi-public service. Customer premises inside wire is excluded.

Advice No. 1

Issued May 15, 2013 Effective July 1, 2013

TEXT SIZE: A-A-A • TEXT ONLY TRANSLATE = Find

Public Utility Commission (Home)

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Assistance Programs](#)[Safety](#)[Telecommunications](#)[Water](#)[Board of Maritime Pilots](#)[Home](#)[Jobs at PUC](#)**Oregon Lifeline (Oregon Telephone Assistance Program)**

The Oregon Public Utility Commission (PUC) manages the Oregon Lifeline program. If you qualify, this federal and state government assistance program reduces your monthly residential/landline or wireless phone bill by \$12.75.

[List of residential/landline and wireless companies that provide the Oregon Lifeline benefit](#)

How to Apply for Lifeline:**Using Online Application:**

Submit your application online if you or a member of your household participates in one of the following programs:

- Supplemental Nutrition Assistance Program; Food Stamps (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Supplemental Security Income (SSI)
- State Medical Programs (at or below 135% of federal poverty guidelines)
- Medicaid

Using Printed Application:

Complete and send a printed application to our office with the current documentation if you or a member of your household participates in one of the following programs or meets the income requirements:

- National School Lunch Program; Free Lunch Program Only (NSLP)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Total household income is at or below 135% of federal poverty guidelines

**Click Here to
Apply Online**

**Click Here to
Print Application**

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OREGON.GOV

State Directories
Agencies A to Z
Oregon Administrative Rules
Oregon Revised Statutes
Oregon - an Equal Opportunity Employer
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File Formats
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PINE TELEPHONE SYSTEM, INC.

P. O. BOX 706 104 CENTER STREET

HALFWAY, OREGON 97834

(541) 742-2201 FAX (541) 742-4321

54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Pine Telephone System, Inc. subscriber, are free to choose their own toll usage plans through IXC's that serve Pine Telephone System, Inc.

PINE TELEPHONE SYSTEM, INC.

P. O. BOX 706 104 CENTER STREET

HALFWAY, OREGON 97834

(541) 742-2201 FAX (541) 742-4321

July 1, 2015

Ms. Marlene H. Dortch
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

**RE: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient
54.313(f)(1) "Milestone Certification"**

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Pine Telephone System, Inc.:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at 541-932-4411

Sincerely,

Delinda Kluser
Vice President/Manager

PINE TELEPHONE SYSTEM, INC.

P. O. BOX 706 104 CENTER STREET

HALFWAY, OREGON 97834

(541) 742-2201 FAX (541) 742-4321

54.313 (f)(1) Anchor Institutions

ANCHOR INSTITUTIONS WITHIN PINE TELEPHONE SYSTEM, INC'S TERRITORY

In 2014, Pine Telephone System, Inc. established delivery of high-speed broadband to the following "anchor" institutions:

- | | |
|----------------------------------|-----------------------------------|
| 1. Church of Jesus Christ of LDS | 46568 Cornucopia Hwy, Halfway, OR |
| 2. Pine Baptist Church | 167 Claude St., Halfway, OR |

Access to broadband services was available prior to 2014 to all known anchor institutions. All requests for broadband services, and speed, were fulfilled in 2014. Pine Telephone System, Inc. continues to monitor customer demand and technological innovation, planning to size its network in anticipation of requests for higher speed broadband services.

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER NAME

Pine Telephone System, Inc.

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2014

BORROWER DESIGNATION

OR0545

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report



3/30/15
DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	2,617,259	1,017,584	25. Accounts Payable	74,913	278,825
2. Cash-RUS Construction Fund	2,080	2,081	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. LT Debt	1,665,000	1,618,553
c. Notes Receivable		2,034,849	30. Current Mat. LT Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	689,172	631,827	32. Income Taxes Accrued	7,540	
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities	51,539	60,095
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,798,992	1,957,473
6. Material-Regulated	211,041	182,506	LONG-TERM DEBT		
7. Material-Nonregulated		3,517	36. Funded Debt-RUS Notes	18,551,598	17,223,355
8. Prepayments	42,299	92,607	37. Funded Debt-RTB Notes	925,643	760,399
9. Other Current Assets	11,089		38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	3,572,940	3,964,971	39. Funded Debt-Other		2,000,000
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
1. Investment in Affiliated Companies			41. Premium (Discount) on LT Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
2. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	28,241	28,241	46. Total Long-Term Debt (36 thru 45)	19,477,241	19,983,754
3. Nonregulated Investments	42,733	118,733	OTHER LIAB. & DEF. CREDITS		
4. Other Noncurrent Assets		2,004,192	47. Other Long-Term Liabilities		
5. Deferred Charges		10,622	48. Other Deferred Credits	1,563,573	1,402,502
6. Jurisdictional Differences			49. Other Jurisdictional Differences		
7. Total Noncurrent Assets (11 thru 15)	70,974	2,161,788	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,563,573	1,402,502
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
1. Telecom, Plant-in-Service	39,958,601	39,514,641	51. Cap. Stock Outstand. & Subscribed	21,240	21,240
2. Property Held for Future Use		426,610	52. Additional Paid-in-Capital		
3. Plant Under Construction	48,517	112,910	53. Treasury Stock		
4. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
5. Less Accumulated Depreciation	17,088,638	19,389,170	55. Other Capital		
6. Net Plant (18 thru 21 less 22)	22,918,480	20,664,991	56. Patronage Capital Credits		
7. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	3,701,348	3,426,781
	26,562,394	26,791,750	58. Total Equity (51 thru 57)	3,722,588	3,448,021
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	26,562,394	26,791,750

Total Equity = 12.87% of Total Assets

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

OR0545

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	165,792	166,576
2. Network Access Services Revenues	6,575,029	5,993,296
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	25,548	37,160
5. Miscellaneous Revenues	97,056	130,555
6. Uncollectible Revenues	320	453
7. Net Operating Revenues (1 thru 5 less 6)	6,863,105	6,327,134
8. Plant Specific Operations Expense	1,358,065	1,464,531
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	74,841	110,916
10. Depreciation Expense	2,362,049	2,409,162
11. Amortization Expense		
12. Customer Operations Expense	211,859	183,472
13. Corporate Operations Expense	1,302,397	1,215,598
14. Total Operating Expenses (8 thru 13)	5,309,211	5,383,679
15. Operating Income or Margins (7 less 14)	1,553,894	943,455
16. Other Operating Income and Expenses		
17. State and Local Taxes	30,533	(22,059)
18. Federal Income Taxes	52,298	(120,525)
19. Other Taxes	323,288	310,286
20. Total Operating Taxes (17+18+19)	406,119	167,702
21. Net Operating Income or Margins (15+16-20)	1,147,775	775,753
22. Interest on Funded Debt	963,367	913,379
23. Interest Expense - Capital Leases		
24. Other Interest Expense	(30)	12,033
25. Allowance for Funds Used During Construction	9,178	3,157
26. Total Fixed Charges (22+23+24-25)	954,159	922,255
27. Nonoperating Net Income	(30,880)	22,122
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(59,820)	(150,187)
31. Total Net Income or Margins (21+27+28+29+30-26)	102,916	(274,567)
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	3,598,432	3,701,348
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	3,701,348	3,426,781
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	2,547,005	2,459,765
45. Cash Ratio [(14+20-10-11) / 7]	0.4886	0.4966
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9718	1.0232
47. TIER [(31+26) / 26]	1.1079	0.7023
48. DSCR [(31+26+10+11) / 44]	1.3424	1.2427

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OR0545

PERIOD ENDED

December, 2014

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Three River (Culver)	19.00	14.75	8	54	60	84.74	2.50
Granite	19.00	14.75	15	76	91	129.57	43.21
Halfway / Oxbow	19.00	14.75	201	528	730	280.53	55.28
MobileWireless					0		
Route Mileage Outside Exchange Area						187.42	39.25
Total			222	659	881	692.26	140.24
No. Exchanges	3						

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INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Three River (Culver)	60	47	54	8,000	1,500	20.95	Package	Fiber to the Home
Granite	91	27	80	8,000	1,500	25.95	Package	DSL
Halfway / Oxbow	730	408	554	8,000	1,500	20.95	Package	Fiber to the Home
Total	881	480						

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

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INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
5	6	911	.97	1.27

PART E. TOLL DATA

1. Study Area ID Code(s)	2. Types of Toll Settlements (Check one)
a. 532392	Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
b. _____	Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
c. _____	
d. _____	
e. _____	
f. _____	
g. _____	
h. _____	
i. _____	
j. _____	

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	103,298
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	103,298

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority
with jurisdiction over the provision of telephone services? (Check one)



YES



NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	14.90%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	7.50%
5. Land and support assets - Buildings	6.10%
6. Land and support assets - Furniture and Office equipment	6.40%
7. Land and support assets - General purpose computers	15.00%
8. Central Office Switching - Digital	6.30%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	10.60%
12. Central Office Transmission - Circuit equipment	10.60%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	6.30%
24. Cable and wire facilities - Buried cable - Fiber	4.80%
25. Cable and wire facilities - Conduit systems	2.00%
26. Cable and wire facilities - Other	

USDA-RUS

OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION
OR0545

PERIOD ENDED
December, 2014

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	2,619,339
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	(274,567)
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	2,409,162
4. Add: Amortization	0
5. Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	57,345
7. Decrease/(Increase) in Materials and Inventory	25,018
8. Decrease/(Increase) in Prepayments and Deferred Charges	(60,930)
9. Decrease/(Increase) in Other Current Assets	11,089
10. Increase/(Decrease) in Accounts Payable	203,912
11. Increase/(Decrease) in Advance Billings & Payments	0
12. Increase/(Decrease) in Other Current Liabilities	1,016
13. Net Cash Provided/(Used) by Operations	2,372,045
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	(2,034,849)
15. Increase/(Decrease) in Notes Payable	0
16. Increase/(Decrease) in Customer Deposits	0
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	460,066
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	(161,071)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20. Less: Payment of Dividends	0
21. Less: Patronage Capital Credits Retired	0
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	(1,735,854)
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	(47,043)
25. Other Long-Term Investments	(76,000)
26. Other Noncurrent Assets & Jurisdictional Differences	(2,004,192)
27. Other (Explain) Asset Retirements, Sale of assets, & Non-Reg Allocation	(108,630)
28. Net Cash Provided/(Used) by Investing Activities	(2,235,865)
29. Net Increase/(Decrease) in Cash	(1,599,674)
30. Ending Cash	1,019,665

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION OR0545
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
<p>NOTE: This submission was prepared from Pine Telephone System, Inc's December 31, 2014 audited financial statements.</p> <p>On September 30, 2014 Pine Telephone System, Inc. was purchased by North States Telephone Company based in Mt. Vernon, Oregon.</p> <p>On July 1, 2012, the Company formed PT Services, Inc. a wholly -owned subsidiary, to accumulate non-regulated activity. Parts A, B, and I include the consolidated activity of Pine Telephone System, Inc. and its wholly owned subsidiary. All material intercompany transactions and balances have been eliminated in the consolidation.</p> <p>Please direct questions about this form to Delinda Kluser at (541) 932 - 4411, ordkluser@ortelco.net</p>	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION OR0545
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

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